

Message Text

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21

ACTION NEA-09

INFO OCT-01 EUR-12 ISO-00 IO-10 SCCT-01 FEA-01 AGR-05

CEA-01 CIAE-00 COME-00 DODE-00 EB-07 FRB-01 H-01

INR-07 INT-05 L-02 LAB-04 NSAE-00 NSC-05 PA-01 RSC-01

AID-05 CIEP-01 SS-15 STR-01 TAR-01 TRSE-00 USIA-06

PRS-01 SP-02 OMB-01 SAB-01 SAM-01 NIC-01 /110 W

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R 140936Z JAN 75

FM AMEMBASSY RABAT

TO SECSTATE WASHDC 4280

INFO AMEMBASSY ALGIERS

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY MADRID

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY TEL AVIV

AMEMBASSY THE HAGUE

AMEMBASSY TUNIS

USEC BRUSSELS

USOECD PARIS

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E.O. 11652: N/A

TAGS: EAID EGIN ECON EFIN EIND EINV ELAB ENRG MO

SUBJ: EC COMMISSIONER CHEYSSON HOLDS FORTH PROMISE FAVORABLE

TRADE AGREEMENT; SAYS EUROPE FEARS ECONOMIC STRANGULATION

REF: EALR

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1. IN COURSE OF THREE DAY VISIT TO MOROCCO TO ADVANCE NEGOTIATIONS TO RENEW AND LIBERALIZE EC/MOROCCO TRADE AGREEMENT, EUROPEAN COMMUNITY COMMISSIONER FOR BUDGETARY AND THIRD WORLD RELATIONS CLAUDE CHEYSSON MADE LENGTHY STATEMENT AT JANUARY 8 PRESS CONFERENCE. MOST SIGNIFICANT COMMENT IN LIGHT CURRENT FLURRY OF ATTENTION BEING GIVEN TO SECRETARY KISSINGER'S BUSINESS WEEK INTERVIEW WAS CHEYSSON'S ASSERTION REGARDING EUROPEAN "FEAR OF BEING STRANGLERED BY NEED FOR PRIMARY MATERIALS AND ENERGY". NOT CLEAR WHETHER THIS CHOICE OF WORDS ADVENTITIOUS OR DELIBERATE PARALLEL OF SECRETARY'S PHRASEOLOGY. TIME MAGAZINE REPORTER PRESENT AT PRESS CONFERENCE CONFIRMS WORDING REPORTED IN LOCAL PRESS AND SAYS MAROC-AGENCY-PRESS QUOTE TAKEN DIRECTLY FROM TAPE OF INTERVIEW. PRESS HAS SO FAR MERELY REPORTED STATEMENT WITHOUT COMMENT. YET EXTENSIVE NEGATIVE COVERAGE GIVEN SECRETARY'S STATEMENT DOES NOT PERMIT US TO BELIEVE COMMENT UNNOTICED.

2. EARLY IN STATEMENT, CHEYSSON SPOKE ALMOST APOLOGETICALLY OF MEAGER CONCESSIONS GRANTED UNDER 1969 AGREEMENT AND VIRTUALLY ASSUMED RESPONSIBILITY ON BEHALF OF EC FOR YEAR'S DELAY IN NEGOTIATING RENEWAL. NEW ACCORD, YET TO BE SIGNED, WILL ACCORDING TO CHEYSSON, MARK BEGINNING OF PROFOUNDLY DIFFERENT RELATIONSHIP BETWEEN EC AND MOROCCO: "(EUROPE AND ARAB STATES) ARE OF COMPARABLE DIMENSIONS AND WE EUROPEANS HAVE BECOME DEPENDENT ON YOU. SO THAT INSURES A CERTAIN EQUALITY." PERHAPS SIGNIFICANT THAT IN THIS CONTEXT CHEYSSON SPOKE OF RELATIONSHIP OF EC-9 TO "TWENTY ARAB COUNTRIES PLUS PLO."

3. FINANCIAL SECTION. DRAFT AGREEMENT REPORTEDLY CONTAINS FINANCIAL SECTION WHICH WILL PROVIDE: (A) EC GRANTS TO MOROCCO OVER AND ABOVE EXISTING BILATERAL ARRANGEMENTS; (B) FACILITY TO BORROW FROM EUROPEAN INVESTMENT BANK; AND (C) DIRECT LOANS FROM EC FOR UP TO 40 YEARS AT ONE PER CENT INTEREST.

4. LABOR SECTION WOULD INCLUDE REGISTERED MOROCCAN WORKERS WITHIN EC-WIDE WELFARE SCHEME EVEN WHEN NOT COVERED BY BILATERAL PROVISIONS.

5. ECONOMIC AND INDUSTRIAL COOPERATION SECTIONS WILL CONSIST LIMITED OFFICIAL USE

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OF SERIES OF ARRANGEMENTS TO PROMOTE CONTACTS WITH EC INDUSTRIALISTS, BANKERS, AND TRADERS TO FACILITATE DIRECT INVESTMENT AND TECHNICAL ASSISTANCE TO MOROCCO.

6. COMMENT. APOLOGETIC ALLUSIONS EARLIER EUROPEAN ARROGANCE AND NEGLECT, AND PROMISED GRANTS AND CONCESSIONARY LOANS, CONTRAST SHARPLY WITH PAST EC NEGOTIATING POSTURE RE ARTICLE 238 PETITIONERS. ONLY DEPARTURE FROM PREVAILING TONE

HUMILITY WAS "STRANGULATION" STATEMENT, IMPLYING LIMIT TO EUROPE'S WILLINGNESS TO BARGAIN FOR REDISTRIBUTION OF EQUITY SHARES IN ECONOMIC PARTNERSHIP ARRANGEMENTS. PROBABLE NEED TO BORROW SUBSTANTIAL SUMS THIS YEAR TO PAY FOR IMPORTED FOOD IN WAKE SEQUENTIAL CROP FAILURES AS WELL AS TO MAINTAIN INVESTMENT PLAN OBJECTIVES MADE FINANCIAL SECTION ARRANGEMENTS MAJOR GOM NEGOTIATING OBJECTIVE. LABOR ARRANGEMENT ALSO OF HIGH IMPORTANCE TO GOM AT TIME OF MOUNTING UNEMPLOYMENT BECAUSE OF HEAVY RELIANCE ON REMITTANCES. CHEYSSON HAS HAD INDIVIDUAL TALKS WITH PRIME MINISTER, FINANCE MINISTER, AND HEAD OF ECONOMIC SECTION, FOREIGN MINISTRY. LOCALLY BELIEVED EC HOPES TO ELICIT GOM COOPERATION AS BROKER IN FUTURE EC-ARAB NEGOTIATIONS, TAKING ADVANTAGE OF WHAT ONE ELEMENT OF PRESS HAS CALLED "MOROCCO'S PRIVILEGED POSITION IN EURO-ARAB DIALOGUE." PERHAPS VAINLY, GOM HOPES THIS CARD WILL FALL IN MOROCCO'S FAVOR WHEN TIME COMES FOR EC COUNCIL OF MINISTERS TO RATIFY WHAT COMMISSION HAS ACHIEVED. NOTE OF INTEREST: FRENCH AMBASSADOR DID NOT ATTEND RECEPTION GIVEN FOR EC DELEGATION, HAVING OPTED TO ATTEND FETE GIVEN BY MINCOM IN CASABLANCA TO CELEBRATE NEW PARTNERSHIP BETWEEN GOM AND RECENTLY MOROCCANIZED INTERNATIONAL OIL COMPANIES. END COMMENT.

7. UNDERSTAND CHEYSSON WILL BE MAKING SIMILAR VISIT TO ALGERIA IN FEW WEEKS.

8. JUST INFORMED BY DANES THAT SIGNATURE EXPECTED TOWARDS END FEBRUARY DESPITE RESIDUAL GOM DISSATISFACTION ON TERMS FOR CITRUS. THIS OUTWEIGHED BY OTHER PROVISIONS AND CUSTOMS DUTIES LOWER THAN THOSE ACCORDED SPAIN OR ISRAEL.
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